
FINANCIAL SERVICES REPUBLICAN MORNING CLIPS 6.18.2009

USA Today, Bachus: "Down the wrong road ... The Republican and Democratic plans for reforming our financial regulatory system are a study in sharp contrasts. While the Democrats' plan keeps in place a system in which large financial institutions look to Washington and the U.S. taxpayer for relief when they become big enough or inter-connected enough to bring down the financial system if they fail, Republicans' response is "never again."

Wall Street Journal: "Historic Overhaul of Finance Rules ... President Barack Obama urged policy makers to rewrite the rules governing U.S. finance, unveiling far-reaching proposals that would affect nearly every aspect of banking and markets."

Wall Street Journal: "Relief and Resignation Spread Across Wall Street ... Reaction on Wall Street to the proposed overhaul of financial regulations ranged from relief that the changes aren't as drastic as many had feared to resignation that tougher rules and lower profits likely are unavoidable."

Wall Street Journal: "U.S. Gets TARP Payback From 10 Banks ... The government got \$68 billion Wednesday from 10 financial firms eager to escape the curbs that came with taxpayer-funded capital infusions."

Wall Street Journal, Editorial: "Hope vs. Financial Experience ... The main idea behind the Obama Administration's new financial revamp is essentially this: With more power and a modest reshuffling of the bureaucratic furniture, the same regulators who missed the last credit mania will somehow prevent the next one. If nothing else, this concept is certainly true to President Obama's campaign theme of "hope."

Wall Street Journal, Wallison: "Too Big to Fail, or Succeed ... Although the president said in his speech that he supports free markets, these initiatives confirm that the administration fears the "creative destruction" that free markets produce, preferring stability over innovation, competition and change."

Financial Times: "New capital rules for US financial companies ... Large US financial companies face stringent new capital requirements as part of the regulatory overhaul, with the potential to fundamentally alter leverage and profitability."

New York Times: "Some Lawmakers Question Expanded Reach for the Fed ... No sooner had President Obama proposed a new regulatory road map for the country's financial system on Wednesday than senior lawmakers expressed reservations about one of the plan's central elements - to broadly expand the reach of the Federal Reserve to regulate financial risk across the entire system."

New York Times: "Banks Brace for Fight Over an Agency Meant to Bolster Consumer Protection ... On Wednesday, President Obama proposed creating a federal agency that would require banks, mortgage lenders and credit card companies to provide consumers with a more nutritious diet, financially speaking. But what is good for consumers may not always square with what is good for banks."

New York Times: "Overhaul Leaves Rating Agencies Largely Untouched ... In the overhaul of financial regulation proposed by the Obama administration on Wednesday, rating services - which, during the boom, stamped high ratings on many subprime securities - will avoid the radical changes their detractors have urged."

Washington Times: "Broader Fed role provokes wide dissent ... President Obama's plan to revamp financial regulations

triggered immediate criticism Wednesday from both the political left and right over the expanded policing authorities given to the Federal Reserve while business groups grumbled about a powerful new agency charged with protecting consumers against abusive lending."

USA Today: "Chrysler to restart 7 assembly plants ... Chrysler plans to restart seven assembly plants at the end of June after silencing all of its factories during its six-week stay in Chapter 11 bankruptcy protection."

USA Today: "Bernanke invited to testify on Bank of America-Merrill deal ... A congressional panel has invited Federal Reserve Chairman Ben Bernanke to testify June 25 about allegations by Bank of America CEO Kenneth Lewis that he was pressed to buy Merrill Lynch after becoming aware of major losses at the investment bank."

Washington Post: "Born in a Previous Crisis, OTS Faces Extinction ... The agency born that summer afternoon in 1989 to charter and regulate thrifts -- also known as savings and loans -- now faces extinction as the Obama administration presses Congress to roll its responsibilities into a new national banking regulatory agency."

New York Post: "A Fake Financial Fix ... The Obama administration yesterday presented a misguided, ill-informed remake of our financial regulatory system that will make crises more likely and more costly. Our financial system, particularly our mortgage system, is broken -- but the Obama plan ignores the real flaws to focus on more convenient targets."

Los Angeles Times: "Obama's plan to overhaul financial regulations is seen abroad as a first step ... Foreign investors and analysts welcome the proposal but take a wait-and-see attitude, partly because crucial details have yet to be worked out."

Los Angeles Times, Hamilton & Puzzanghera: "Wall Street isn't buying Obama's reform plan ... Banks and other firms are quick to attack Obama's consumer-friendly overhaul of financial rules. The stage is set for a legislative battle, with Wall Street turning to allies in Congress."

Bloomberg: "Obama Plan Gets Wary Reception From Banks, Lawmakers ... The Obama administration's overhaul of financial-industry rules faces a lobbying assault on Capitol Hill, as lawmakers question the Federal Reserve's role and bankers say the plan may hinder economic growth."

Forbes, Bench: "Don't Rush Regulatory Reform ... So, the president has unveiled his blueprint for the reform of financial regulation. Here are 10 thoughts in reaction to this ambitious "new foundation."

The Hill: "Wall Street plan draws many critics ... Democrats and Republicans across Capitol Hill on Wednesday criticized President Obama's plan to overhaul the financial system, with many lawmakers calling for specific changes while others slammed the broad outlines of the proposal."